

AMENDED IN ASSEMBLY JANUARY 23, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 624**

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**Introduced by Assembly Member Coto**  
**(Coauthor: Assembly Member Dymally)**

February 21, 2007

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An act to add Section 5081 to the Corporations Code, and to add Section 16065 to the Probate Code, relating to private foundations.

LEGISLATIVE COUNSEL'S DIGEST

AB 624, as amended, Coto. ~~Private foundations~~ *Foundations*: diversity.

Existing law regulates the administration of nonprofit corporations and trusts that are deemed to be private foundations, as defined under federal tax law, and requires these private foundations to distribute their income for each taxable year so as not to subject the private foundation or its property to specified federal tax requirements. Existing law requires these entities to prepare specified annual reports.

This bill would require a private, *corporate, or public operating* foundation with assets over \$250,000,000 to collect specified ethnic ~~and~~, gender, *and sexual orientation* data pertaining to its governance and grantmaking. The bill would require this information to include, but not be limited to, the following: the racial~~and~~, gender, *and sexual orientation* composition of the board of directors or trustees *and members of the foundation*, the number of grants awarded to specified organizations serving ethnic minority communities *and lesbian, gay, bisexual, and transgender communities*, and the percentage of grant dollars awarded to specified organizations where 50% or more of the board members are ethnic minorities *or are lesbian, gay, bisexual, or*

*transgender*. The bill would require ~~these private foundations a foundation~~ to disclose this information via its Internet Web site, if available, and to include this information in its annual report, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 5081 is added to the Corporations Code,  
 2 to read:  
 3 5081. (a) Notwithstanding any other provision of law, a  
 4 corporation, during any period or periods that it is deemed to be  
 5 a ~~“private foundation” as defined in Section 509 of the Internal~~  
 6 ~~Revenue Code~~ *a private, corporate, or public operating foundation*,  
 7 shall collect the following information:  
 8 (1) The racial composition of its board of directors, including  
 9 the percentage of board members that are African-American,  
 10 Asian-American, Pacific Islander, Caucasian, Latino, Native  
 11 American, and Alaskan Native.  
 12 (2) The gender composition of its board of directors, including,  
 13 the percentage of board members who are male and female.  
 14 (3) *The sexual orientation composition of its board of directors,*  
 15 *including the percentage of board members who are lesbian, gay,*  
 16 *bisexual, and transgender people.*  
 17 ~~(3)~~  
 18 (4) The racial composition of the ~~private~~ foundation’s staff,  
 19 including the percentage of staff members that are  
 20 African-American, Asian-American, Pacific Islander, Caucasian,  
 21 Latino, Native American, and Alaskan Native.  
 22 ~~(4)~~  
 23 (5) The gender composition of the ~~private~~ foundation’s staff,  
 24 including; the percentage of staff who are male and female.  
 25 (6) *The sexual orientation composition of the foundation’s staff,*  
 26 *including the percentage of staff who are lesbian, gay, bisexual,*  
 27 *and transgender people.*  
 28 ~~(5)~~  
 29 (7) The percentage of business contracts awarded to businesses  
 30 owned by African-Americans, Asian-Americans, Pacific Islanders,

1 Caucasians, Latinos, Native Americans, ~~and Alaskan Natives~~  
2 *Alaskan Natives, and lesbian, gay, bisexual, or transgender people.*

3 ~~(6)~~

4 (8) The number of grants awarded to organizations serving  
5 African-American, Asian-American, Pacific Islander, Caucasian,  
6 Latino, Native American, and Alaskan Native ~~communities~~  
7 *Communities, and lesbian, gay, bisexual, and transgender*  
8 *communities.*

9 ~~(7)~~

10 (9) The percentage of grant dollars awarded to organizations  
11 serving African-American, Asian-American, Pacific Islander,  
12 Caucasian, Latino, Native American, and Alaskan Native  
13 ~~communities~~ *Communities, and lesbian, gay, bisexual, and*  
14 *transgender communities.*

15 ~~(8)~~

16 (10) The number of grants awarded to organizations where 50  
17 percent or more of the board members are ethnic minorities *or are*  
18 *lesbian, gay, bisexual, or transgender people.*

19 ~~(9)~~

20 (11) The percentage of grant dollars awarded to organizations  
21 where 50 percent or more of the board members are ethnic  
22 minorities *or are lesbian, gay, bisexual, or transgender people.*

23 ~~(10)~~

24 (12) The number of grants awarded to organizations where 50  
25 percent or more of the staff are ethnic minorities *or are lesbian,*  
26 *gay, bisexual, or transgender people.*

27 ~~(11)~~

28 (13) The percentage of grant dollars awarded to organizations  
29 where 50 percent or more of the staff are ethnic minorities *or are*  
30 *lesbian, gay, bisexual, or transgender people.*

31 (b) The information collected pursuant to subdivision (a) shall  
32 be posted on the ~~private~~ foundation's Internet Web site, if available,  
33 and included in its annual report in a section labeled  
34 "DIVERSITY."

35 (c) This section shall only apply to ~~private~~ foundations with  
36 assets over two hundred fifty million dollars (\$250,000,000).

37 (d) For purposes of this section, "organization" means an  
38 organization described in Section 501(c)(3) of the Internal Revenue  
39 Code.

40 SEC. 2. Section 16065 is added to the Probate Code, to read:

1 16065. (a) Notwithstanding any other provision of law, a trust,  
 2 during any period or periods that it is deemed to be a ~~“private~~  
 3 ~~foundation” as defined in Section 509 of the Internal Revenue~~  
 4 ~~Code~~ *private, corporate, or public operating foundation*, shall  
 5 collect the following information:

6 (1) The racial composition of its board of trustees or directors,  
 7 including the percentage of board members that are  
 8 African-American, Asian-American, Pacific Islander, Caucasian,  
 9 Latino, Native American, and Alaskan Native.

10 (2) The gender composition of its board of trustees or directors,  
 11 including, the percentage who are male and female.

12 (3) *The sexual orientation composition of its board of trustees*  
 13 *or directors, including the percentage of the board of trustees or*  
 14 *directors who are lesbian, gay, bisexual, and transgender people.*

15 ~~(3)~~

16 (4) The racial composition of the charitable trust or ~~private~~  
 17 foundation’s staff, including the percentage of staff members that  
 18 are African-American, Asian-American, Pacific Islander,  
 19 Caucasian, Latino, Native American, and Alaskan Native.

20 ~~(4)~~

21 (5) The gender composition of the charitable trust or ~~private~~  
 22 foundation’s staff, including, the percentage who are male and  
 23 female.

24 (6) *The sexual orientation composition of the charitable trust*  
 25 *or foundation’s staff, including the percentage of staff who are*  
 26 *lesbian, gay, bisexual, and transgender people.*

27 ~~(5)~~

28 (7) The percentage of business contracts awarded to businesses  
 29 owned by African-Americans, Asian-Americans, Pacific Islanders,  
 30 Caucasians, Latinos, Native Americans, ~~and Alaskan Natives~~  
 31 *Alaskan Natives, and lesbian, gay, bisexual, or transgender people.*

32 ~~(6)~~

33 (8) The number of grants awarded to organizations serving  
 34 African-American, Asian-American, Pacific Islander, Caucasian,  
 35 Latino, Native American, and Alaskan Native ~~communities~~  
 36 *Communities, and lesbian, gay, bisexual, and transgender*  
 37 *communities.*

38 ~~(7)~~

39 (9) The percentage of grant dollars awarded to organizations  
 40 serving African-American, Asian-American, Pacific Islander,

1 Caucasian, Latino, Native American, and Alaskan Native  
2 ~~communities~~ *Communities, and lesbian, gay, bisexual, and*  
3 *transgender communities.*

4 ~~(8)~~

5 (10) The number of grants awarded to organizations where 50  
6 percent or more of the board members are ethnic minorities *or are*  
7 *lesbian, gay, bisexual, or transgender people.*

8 ~~(9)~~

9 (11) The percentage of grant dollars awarded to organizations  
10 where 50 percent or more of the board members are ethnic  
11 minorities *or are lesbian, gay, bisexual, or transgender people.*

12 ~~(10)~~

13 (12) The number of grants awarded to organizations where 50  
14 percent or more of the staff are ethnic minorities *or are lesbian,*  
15 *gay, bisexual, or transgender people.*

16 ~~(11)~~

17 (13) The percentage of grant dollars awarded to organizations  
18 where 50 percent or more of the staff are ethnic minorities *or are*  
19 *lesbian, gay, bisexual, or transgender people.*

20 (b) The information collected pursuant to subdivision (a) shall  
21 be posted on the ~~private~~ foundation’s Internet Web site, if available,  
22 and included in its annual report in a section labeled  
23 “DIVERSITY.”

24 (c) This section shall only apply to ~~private~~ foundations with  
25 assets over two hundred fifty million dollars (\$250,000,000).

26 (d) For purposes of this section, “organization” means an  
27 organization described in Section 501(c)(3) of the Internal Revenue  
28 Code.

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31 **CORRECTIONS:**

32 **Text—Pages 2 and 3.**

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